

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1877 - HB 2143

February 16, 2018

SUMMARY OF BILL: Requires audits performed by the Comptroller of the Treasury (COT) on county and municipal law enforcement agencies and judicial district drug task forces to include how proceeds derived from forfeited assets are used. Requires the Department of Safety and Homeland Security (DOS) to report COT audit results to the General Assembly and to publish results of COT audits on the DOS website.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$3,600/Comptroller of the Treasury

Increase Local Expenditures – \$59,400*

Assumptions:

- Based on information provided by the DOS, any impact to the department resulting from reporting COT audit information to the General Assembly or publishing COT audit information on the departmental website is estimated to be not significant.
- Based on information provided by COT, local law enforcement and judicial districts drug force audits include a review of forfeited asset proceeds; however, the funds are not tracked by expenditure of seizure dollars. Tracking expenditures by individual seizure will lead to additional audit hours and travel expenses.
- Based on information provided by COT, COT staff conducts 90 county sheriff and 31 judicial district drug task force audits each year.
- Additional COT audit requirements will be achieved utilizing existing staff.
- The increase in travel expenditures will vary for each audit and is dependent on the location, the distance traveled, and the additional time required to complete such audits; however, it is estimated to increase travel expenditures on average by \$30 per audit.
- The recurring increase in state expenditures to the COT is estimated to be \$3,630 [(90 + 31) audits x \$30 travel].
- Audits of municipalities are conducted by Certified Public Accountant firms and paid for by the municipality directly.
- There are 225 municipalities that maintain local law enforcement agencies.
- Based on information from the Bureau of Labor Statistics, the median hourly wage for an auditor is \$33.
- The estimated additional time to review such information is eight hours per agency.

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- The mandatory recurring increase in local government expenditures is estimated to be \$59,400 (225 agencies x \$33 per hour x 8 hours).

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/amj